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March 24, 2005

The Honorable Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

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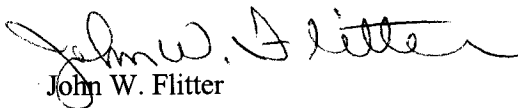
Re: Commission Utilities Matters Action Agenda Item – Docket No. 2005-49-E - Duke Power Company's Application for Approval of the Transfer and Sale of Property in North Carolina.

Dear Mr. Terreni,

This is to acknowledge that the Office of Regulatory Staff has reviewed the above referenced filing and based on the following information we have no objection to the Company's request for approval of the transfer and sale of this property located in North Carolina. Per the Application the property to be sold is known as the Salem Creek Operation Center located in Winston-Salem, Forsyth County, North Carolina in Duke Power's service area in that State. The property site includes operations that have been relocated to newer facilities, consolidated into other Company facilities or moved to more appropriate space, thereby rendering this property surplus and no longer required for the Company's current utility operations. The property consists of 42.07 acres with five significant structures including a garage, maintenance, operations center, and two office buildings, and various small storage sheds. The property is proposed to be sold to East Coast Capital, Inc., a North Carolina Corporation for \$1,861,314, which is in excess of both the book and appraised values. The depreciated book value of the property is \$1,423,424 and it has a market appraisal value of \$1,584,000.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,


John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
William F. Austin, Esquire
Dr. James Spearman